

Sky Harbour
Monthly Construction Report
December 2022

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Executive Summary

Progress continued at each development during the month of December. At BNA Nashville International in Nashville, Tennessee, the Final Use and Occupancy certificate for the project was issued. At APA Centennial in Denver, Colorado, the general contractor, A&F Construction, continued with soil removal and site work. At DVT Deer Valley in Phoenix, Arizona, the GMP and contract exhibits were executed by the general contractor, Haydon Building Corporation, and site work began.

At OPF Opa Locka in Miami, Florida, the final forensic engineers' reports (identifying the cause of last month's hangar door failure) were received. The reports concluded that the door failure and collapse was due to an imbalance of hydraulic pressure which caused the hangar door to rotate out of level inside its track. This shift caused excessive loading in the link arm assembly which exceeded the elastic limit of the welded tabs, causing them to break off. As a result, the top of the hangar door rotated outward (airside), while the bottom rotated inward (landside) and the door collapsed.

Consensus was reached among the engineers regarding the sequence of repairs and replacement of parts on all the hangar doors to ensure safety and operability going forward (See OPF 5: Design, Construction, and Manufacturing Critical Issues). Based on these recommendations, the required replacement parts were designed, fabricated and delivered to the site in December. Replacement of the collapsed hangar door and installation of replacement parts on the remaining hangar doors is expected to be completed by early February 2023, with occupancy scheduled for shortly thereafter in February 2023.

Following is a summary of progress at each development.

Field: OPF Phase 1 – Opa Locka, Florida

Reporting Period: December 2022

1. Construction Status:

During the month of December, plans to widen the turning radius on the taxi lane connector between the ramp and the taxi lane were engineered and finalized. The general contractor has commenced with these modifications, including the removal of sod, the installation and compaction of additional lime rock base, and grading in preparation to install new asphalt at the widened ramp connectors. Installation of the asphalt paving along with reflective line striping and asphalt sealing is scheduled for January.

On December 29th the Miami-Dade County Building Department approved the revised plans for the Hangar 5 tenant improvement ("TI") project, which includes a conference room, interior staircase and second floor storage area.

2. Schedule Variances

Completion and occupancy delayed by hangar door issue. Completion is projected for early February 2023, and occupancy targeted for later in the month of February 2023.

3. Change Orders that impact project Completion date:

None

4. Loss Events:

5. Design, Construction Manufacturing Critical Issues:

Consensus was reached around the Nederveld forensic engineer's report which identified repairs to four (4) parts of each hangar door that will improve and strengthen the door design:

1. Replacement of the interior tabs securing the link arm assembly with larger, thicker plates and continuous ¼" welds.

2. Installation of larger pillow blocks which hold the door in its track through the full cycle of opening and closing.
3. Modification to the tabs and flanges on the exterior delta truss which will alleviate deflection in the door itself.
4. Welding top horizontal member to vertical members which replaces a bolted connection and eliminates excessive deflection in the door.

All welding of replacement tabs and fabricated parts listed above will be supervised by a Certified Welding Inspector (CWI), ensuring that all welds are done in compliance with engineer specifications.

In addition to the mechanical repairs and welding inspection identified above, the engineers also agreed and implemented enhancements to the programming and calibration of hydraulics that control the door operation including:

1. Installation of a velocity fuse which will determine if there is a pressure imbalance between the hydraulic pumps resulting in a difference in velocity from one side to the other. If a difference is measured, the velocity fuse will trip, causing the door to cease operation.
2. Installation of laser readers on either side of the door which will determine if the door is being raised and lowered in the level position. If it is out of level beyond 1" tolerance, a signal is sent to the control panel causing the door to cease operation.
3. Installation of an SD memory card in each door operator's control panel to log operations. This will be used to ensure the door is both operating correctly and serviced appropriately given the use pattern of each door respectively.

6. List of construction activities/milestones to be completed in January.

- Hangar door repair, programming, and testing
- Completion of the ramp asphalt modifications.
- Installation of the remaining AOA fence west of Hangar 1.
- Completion of remaining punch list work
- Striping and sealing of the airside ramp

7. Progress Photos:



Site Plan



Sky Harbour



12-30-22

The picture above is looking southeast. Wright Road is toward the top of the photo. Modification of the connectors between ramp and taxi lane is ongoing. Phase 2 is in the lower right corner of the photo.



Sky Harbour



12-30-22

The picture above is looking southwest. Phase 2 is in the upper right corner of the photo.

Field: OPF Phase 2 – Opa Locka, Florida

Reporting Period: December 2022

1. Design & Permitting Status:

Comments received from the Miami Dade County Water and Sewer Department in November have been addressed and revised plans submitted in December. In addition, the Miami Dade County Water and Sewer Department amended their Developers Water and Sewer Agreement to correctly reflect the project classification (resulting in lower impact fees) and forwarded the agreement to Sky Harbour for signature. This revised agreement was executed and returned to the county water and sewer department in December.

Submission of the final construction drawings to the Miami Dade Aviation Department (MDAD) for permit review has been paused as ownership reconsiders the unit mix of hangars for this phase. Additionally, MDAD has modified its approach to foam fire suppression which may allow development of the SH-30 hangar without foam. If this is confirmed in January 2023, the unit mix in phase 2 will be revised to include at least one SH-30.

Comments to the current set of construction drawings have been received from the Miami Dade County Building Department and are being addressed. The building department agreed to review our revised set of construction drawings should a change in the unit mix be implemented and revised plans submitted.

2. Schedule Variances

Construction of phase 2 is currently scheduled to begin in the 2nd quarter of 2023. Ownership is evaluating a modification to the current unit mix. This modification will require a 2–3-month redesign of the construction drawings before submission of the revised plan set and building department application can occur. This change in unit mix will push the start of construction to the 3rd quarter of 2023.

3. Change Orders that impact project Completion date:

None

4. Loss Events:

None

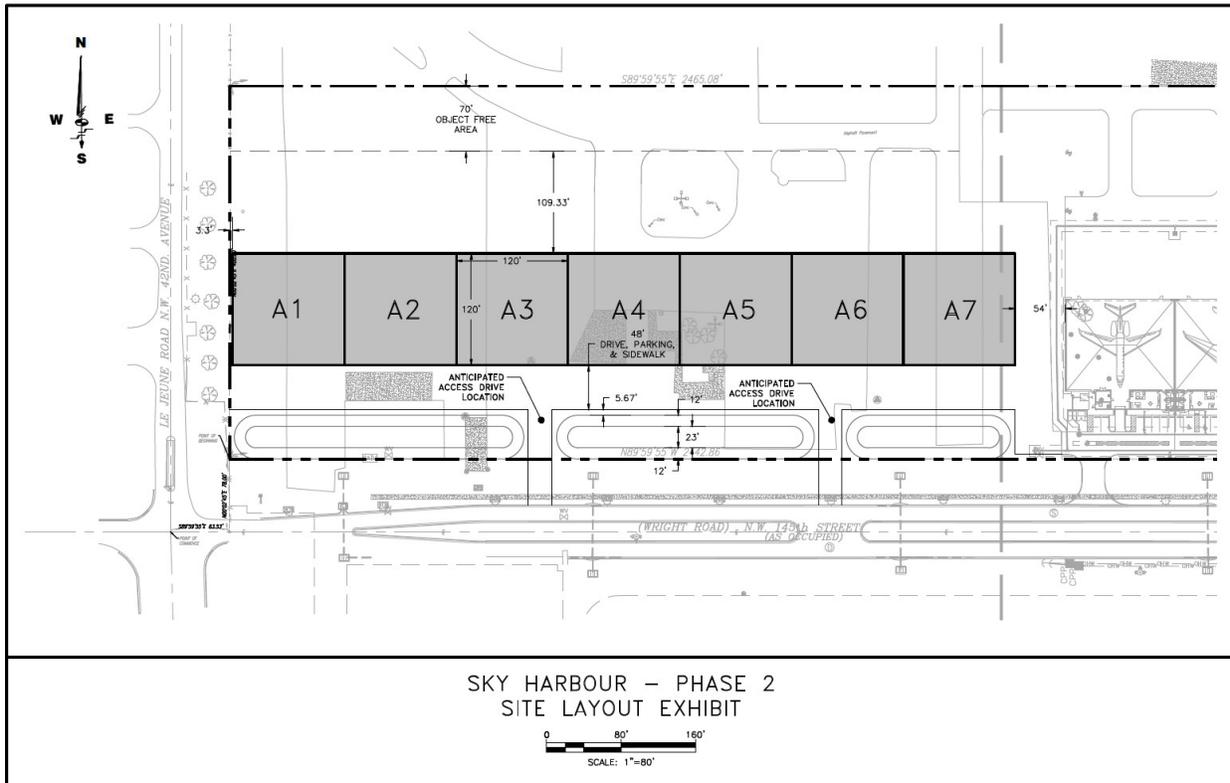
5. Design, Construction Manufacturing Critical Issues:

See #2 above.

6. List of construction activities/milestones to be completed in January.

- Receive the countersigned Developer’s Water and Sewer Agreement from MDAD.
- Respond to comments from the Miami Dade Building Department and resubmit.
- Decide on final unit mix and release design team accordingly.

7. Progress Photos:



Site Plan

Field: BNA – Nashville, Tennessee
Reporting Period: December 2022

1. Construction Status:

On December 27th Nashville Metro Codes issued the Final Use and Occupancy Certificate for the project. The general contractor, Dunn Building Company, has completed the majority of the remaining punch items, including the replacement of louver actuators, installation of collars on the gas unit heater exhaust vents, and replacement of defective shower wands. The overhead door shrouds have been delivered, with installation scheduled for January. The decision to replace the damaged sod will be deferred until spring. The appropriate amount of funds has been withheld from the general contractor's retainage to accommodate the sod replacement.

2. Schedule Variance

None

3. Change Orders that impact project Completion date:

None

4. Loss Events

None

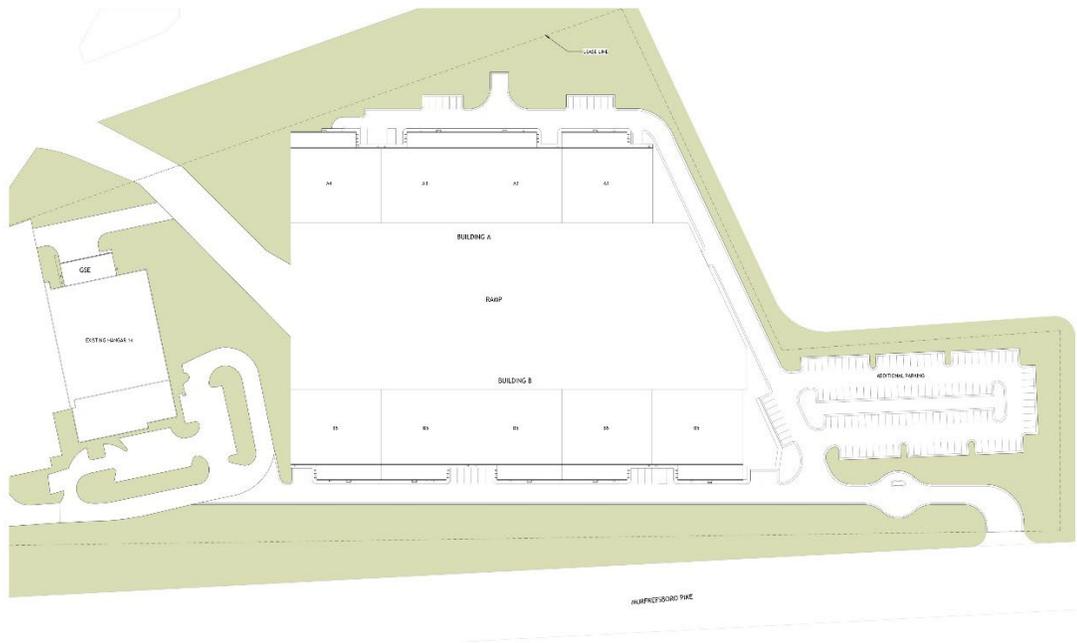
5. Design, Construction Manufacturing Critical Issues:

None

6. List of construction activities/milestones to be completed in January.

- Installation of end wall panels at hangars A1, A4, B1, and B5.
- Replacement of damaged overhead door shrouds
- Installation of concrete pad at GSE for lav dump
- Installation of sidewalk and mailboxes
- Installation of appliances
- Installation of the LED building signs and monument signs

7. Progress Photos:



Site Plan



The picture above is looking west. Murfreesboro Pike runs into the tunnel under the runway to the south of our hangar campus.



The picture above is looking northwest.

Field: APA – Englewood, Colorado
Reporting Period: December 2022

1. Design and Permitting Status:

Arapahoe County Water & Wastewater Authority (ACWWA) issued their pre-approval on the drawings and they have been submitted to South Metro Fire Rescue (SMFR) to review and approve. Both ACWWA and SMFR approvals are prerequisites for Arapahoe County to issue the master building permit. Once the ACWAA permit is issued, Arapahoe County Building Department has communicated to Sky Harbour that a building permit would be issued.

2. Construction Status:

The general contractor, A&F General Construction, has progressed with earthwork throughout the month of December. Ongoing tasks include moisture conditioning of the soil to mitigate the impact of existing expansive soil, the over excavation of soil at the hangar B buildings and apron, and the partial completion of some of the building pads for building B.

3. Change Orders that impact project Completion date:

None

4. Loss Events

None

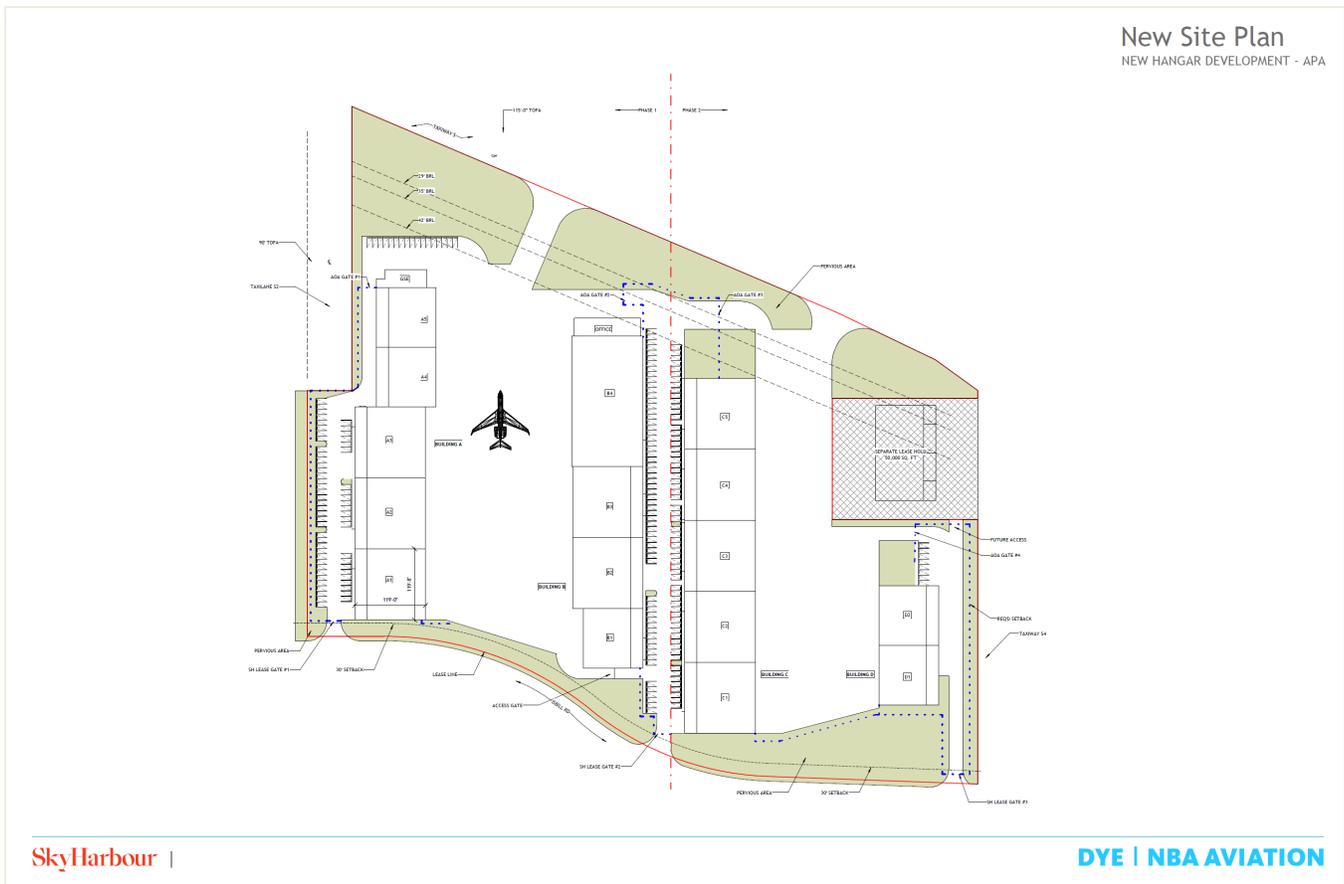
5. Design, Construction Manufacturing Critical Issues:

None

6. List of construction activities/milestones to be completed in January.

- Permit issuance from ACWWA.
- Complete hangar B Building pad.
- Complete over-excavation of apron.
- Begin over-excavation of hangar A building.
- Begin installation of hangar A building pads
- Finalize procurement of long lead building items

7. Progress Photos:



Site Plan



Western view of the project site towards the "B" hangar pad



Southern view towards Isbill Rd. Water trucks undertaking moisture conditioning protocol.

Field: DVT – Phoenix, Arizona

Reporting Period: December 2022

1. Design and Permitting Status:

All negotiations with the general contractor, Haydon Building Corp, are complete, and a GMP Agreement has been executed. The GC has provided all required insurance, and a payment and performance bond to the airport. The City of Phoenix's Aviation Department issued their letter of approval for the project, which allowed the GC to mobilize on site, and install the construction trailer. The perimeter fence has been installed and the site is now secured. Earthwork has started and will continue throughout the month of January. The foundation permit has been received from the City of Phoenix's Planning and Development Department (PDD) in December. The full building permit drawings are still under review with PDD.

Rapid Built, Sky Harbour's pre-engineered metal building (PEMB) partner, has completed the main structural elements and will ship these components to the site in March. The primary structural steel members have been sent to be galvanized, which will preserve the steel and extend its useful life. Rapid Built will begin the fabrication of hangar doors in February 2023 with a goal of having all steel completed and ready for delivery in April.

2. Change Orders that impact project Completion Date

None

3. Schedule Variances

None

4. Change Orders that impact project Completion date:

None

5. Loss Events

None

6. Design, Construction Manufacturing Critical Issues:

None

7. List of construction activities/milestones to be completed in January.

- Continue with earthwork / grading and moisture conditioning of soil.
- Delivery and installation of Ox Blue jobsite camera system.
- Receive comments from PDD on the permit set of drawings.
- Issuance of showroom hangar design documents.

8. Progress Photos:

SITE PLAN
DVT - PHOENIX, AZ



Site Plan



View looking north towards the runway. Site clearing and perimeter fence installation underway.



Southwestern view towards the Phoenix Air Support Building. Stripping of site started.

Field: SGR Phase 2 – Houston, Texas

Reporting Period: December 2022

1. Design and Permitting Status

Phase 2 is in predevelopment. On October 4, 2022, Sugar Land Regional Airport signed a lease amendment extending the requirement to start construction on Phase 2 to October 15, 2023.

2. Schedule Variances

None

3. Change Orders that impact project completion date:

None

4. Loss Events

None

5. Design, Construction Manufacturing Critical Issues:

None

6. List of construction activities/milestones to be completed in January.

- Design analysis for site

Update to Timing and Spent-to-Date

As a result of the hangar door failure and subsequent inspection/repairs of all hangars at OPF1, the scheduled completion date has now been extended by three months to February 2023.

Facility	Status	Scheduled Construction Start	Scheduled Completion Date	Hard Costs (\$mm)	Soft Costs (\$mm)	Project Contingency (\$mm)	Total Project Cost (\$mm)	Spent-to-Date (\$mm)	Contractor	Contract Details
SGR Phase II	Predevelopment	Oct-23	Dec-24	8.1 - 9.8	1.2	1.0	10.3 - 12	0.0		
OPF Phase I	In Construction	Aug-21	Feb-23	22.6 - 24.6	7.4	1.2	31.2 - 33.2	26.5	Link Construction	GMP with 100% P&P Surety
OPF Phase II	In Development	Jun-23	Sep-24	21.5 - 26.1	4.4	2.2	28.1 - 32.7	0.7		
BNA	Occupancy	Jul-21	Oct-22	19.0 - 20.0	5.8	1.0	25.8 - 26.8	24.2	Dunn Building Company	GMP with 100% P&P Surety
DVT Phase I	In Construction	Dec-22	Mar-24	26.1 - 31.4	4.1	2.3	32.5 - 37.8	3.3	Haydon Building Corp	GMP with 100% P&P Surety
DVT Phase II	Predevelopment	Nov-23	Feb-25	22.8 - 27.4	3.3	2.1	28.2 - 32.8	0.0		
APA Phase I	In Construction	Nov-22	Feb-24	28.4 - 34.4	6.1	2.7	37.2 - 43.2	3.5	A&F General Contractors	GMP with 100% P&P Surety
APA Phase II	Predevelopment	Aug-23	Nov-24	21.7 - 26.3	4.7	2.2	28.6 - 33.2	0.0		
Total				170.2 - 200	\$36.9	\$14.8	221.9 - 251.7	\$58.2		

Change Orders Affecting Scheduled Completion

None

Loss Events

None.

Critical Issues

See discussion for each airfield above.

Next Month Milestones

See discussion for each airfield above.